

## **Fund: United Bond & Equity Strategic Trust Fund**

As at 31 January 2023

### **Performance Update**

For the month of January, the Fund registered a return of 5.53%.

Global equities started strong this year, with both Developed and Emerging Markets posting positive returns in January 2023. The DXY index dropped from 103.52 in December to 102.10 in January, while the US 10-year Treasury yield decreased from 3.87% in December to 3.51% as at end January.

The MSCI All Country ex-Japan Index (MXASJ) increased 8.2% MoM to close at 669.9 points. Similar to December 2022, Hong Kong was the top performer for January 2023. The Hang Seng Index gaining 10.4% MoM to close the month at 21,842.3 points. Drivers include PBoC's statement that compliance checks of 14 internet platforms being largely completed and Lunar New Year data showing tourism traffic/revenue back to 88.6%/73.1% respectively of 2019 levels. Top performing sectors include materials, IT and consumer discretionary. The key laggard to Asia ex Japan was India, where the Stock Exchange Sensitivity Index (SENSEX) shed 2.1% MoM to close at 59,549.9 points, as the market was dragged by the Adani group of companies. Most sectors reported losses, with utilities dropping the most. Exceptions were IT and consumer discretionary.

During the month, the key equity contributors to the Fund performance were SFP Tech, Alibaba and Tencent. Shares of SFP Tech rose on January due to lower bond yields. Shares of Alibaba and Tencent rose due to reopening play in China.

On the other hand, the key detractors to the Fund performance were RGB International, Bank Mandiri and UOB.

### **Strategy Moving Forward**

After a tough 2022, some light is emerging in 2023 as policy tightening could end by mid-2023 although slowing global growth remains a headwind. The reopening of China is expected to be positive for sentiment of Asia markets. In the near term, we see a bear market rally and have increased the equity exposure to take advantage of the current market rally.

### **Stock Commentary**

Stocks	Country	Sector	Remarks
Alibaba	China	Consumer Discretionary	<ul style="list-style-type: none"> <li>We expect faster revenue growth in the next few quarters as the full effect of economic reopening kicks in.</li> </ul>
Tencent	China	Communication Services	<ul style="list-style-type: none"> <li>Expect strong revenue growth driven by game and ad revenue recovery after reopening.</li> </ul>
SFP Tech	Malaysia	Technology	<ul style="list-style-type: none"> <li>Structural demand growth of mechanical assembly and sheet metal fabrication works for semiconductor industry, driven by US-China trade diversion</li> </ul>

ECA	Malaysia	Technology	<ul style="list-style-type: none"> <li>Multi-year earnings growth with robust orderbook on the back of growing adoption of automated production systems for E&amp;E and automotive customers.</li> </ul>
Nationgate	Malaysia	Industrial Products Services &	<ul style="list-style-type: none"> <li>EMS company that benefits from relocation of orders due to US-China trade war. And growing exposure in OSAT segment.</li> </ul>

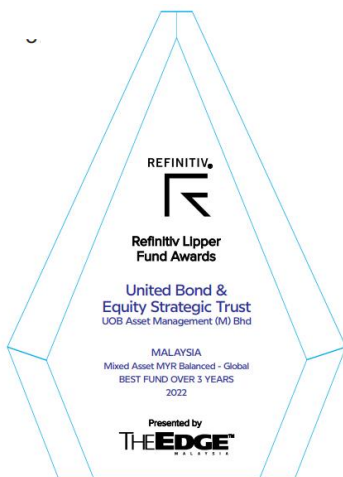
### Characteristic of Fixed Income Portfolio

Fixed Income	
Duration	3.7 years
Yield %	4.7
Avg. credit rating	AA1

### Fund Classes

Fund Classes
MYR Class

### Award



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